

RECEIVED
LEGISLATIVE AUDITOR
2003 JUN 30 PM 12:00

Wilmer Volunteer Fire Department, Inc.

Annual Financial Report

**As of and for the Two Years
Ended December 31, 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/30/03

Wilmer Volunteer Fire Department, Inc.
Annual Financial Report
As of and for the Two Years Ended December 31, 2002

Table of Contents

	Page
Independent Auditor's Report	3
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Supplemental Information:	
Summary Schedule of Prior Audit Findings	11
Corrective Action Plan for Current Year Audit Findings	12
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	13

Bruce C. Harrell, CPA

Warren A. Wool, CPA
Michael P. Estay, CPA
Dale H. Jones, CPA
Charles P. Hebert, CPA
James D. Rabalais, CPA

INTERNET
www.teamcpa.com

MEMBERS
American Institute of CPAs
Society of Louisiana CPAs



BRUCE HARRELL
and COMPANY
Certified Public Accountants
A Professional Accounting Corporation

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (985) 542-6372
FAX: (985) 345-3156

P.O. Box 45 - 909 Avenue G
Kentwood, LA 70444
VOICE: (985) 229-5955
FAX: (985) 229-5951

Independent Auditor's Report

To the Officers of
Wilmer Volunteer Fire Department, Inc.
Kentwood, Louisiana

We have audited the accompanying statement of financial position of the Wilmer Volunteer Fire Department, Inc. (a non-profit corporation) as of December 31, 2002, and the related statements of activities, and cash flows for the two years then ended. These financial statements are the responsibility of the Fire Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wilmer Volunteer Fire Department, Inc. as of December 31, 2002, and the changes in its net assets and its cash flows for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report June 12, 2003 on our consideration of the Wilmer Volunteer Fire Department, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 12, 2003

Wilmer Volunteer Fire Department
Statement of Financial Position
December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 80,151	\$ 45,920
Ad Valorem Receivable	20,027	16,042
Revenue Sharing	7,520	-
Other	-	992
Total Assets	\$ <u>107,698</u>	\$ <u>62,954</u>
 Liabilities and Net Assets		
Accounts Payable	\$ 620	\$ 1,555
Accrued Liabilities	603	790
Total Liabilities	<u>1,223</u>	<u>2,345</u>
 Net Assets		
Temporarily Restricted	<u>106,475</u>	<u>60,609</u>
Total Net Assets	<u>106,475</u>	<u>60,609</u>
Total Liabilities and Net Assets	\$ <u>107,698</u>	\$ <u>62,954</u>

The accompanying notes are an integral part of this statement.

Wilmer Volunteer Fire Department
Statement of Activities
For the Two Years Ended December 31, 2002

	December 31, 2002	December 31, 2001
Support and Revenues		
Rural Fire District No. 2 Contract Fees:		
Ad valorem Taxes	\$ 111,148	\$ 94,773
State Revenue Sharing	22,559	21,262
Fire Insurance Premium Rebate	7,408	6,405
Revenue Sharing Payback	3,009	3,987
FEMA Grant	92,329	-
Interest Income	1,002	725
Miscellaneous	243	588
Total Support and Revenues	<u>237,698</u>	<u>127,740</u>
Expenses		
Accounting Fees	3,650	7,690
Bank Charges	82	91
Capital Expenditures	102,609	5,007
Debt Service	17,547	16,265
Fire Station Supplies	4,272	4,495
Fuel	1,220	1,677
Insurance	7,460	8,963
Licenses	85	58
Medical (EMS)	192	189
Miscellaneous	319	-
Office Supplies	1,388	2,205
Postage	141	42
Repairs and Maintenance	7,656	5,782
Salaries and Related Expenses	36,422	30,588
Telephone	3,940	3,949
Training	160	3,000
Utilities	4,689	6,106
Total Expenses	<u>191,832</u>	<u>96,107</u>
Change in Net Assets	45,866	31,633
Net Assets, Beginning of Year	60,609	28,976
Net Assets, End of Year	<u>\$ 106,475</u>	<u>\$ 60,609</u>

The accompanying notes are an integral part of these statements.

Wilmer Volunteer Fire Department
Statement of Cash Flows
For the Two Years Ended December 31, 2002

	December 31, 2002	December 31, 2001
Cash Flows From Operating Activities		
Change in Net Assets	\$ 45,866	\$ 31,633
Adjustments to Reconcile Change in Net Assets		
To Net Cash Used by Operating Activities:		
(Increase) Decrease in Accounts Receivable	(10,512)	(2,427)
Increase (Decrease) in Accrued Liabilities	(188)	(146)
Increase (Decrease) in Accounts Payable	(935)	1,555
Net Cash Provided by Operating Activities	34,231	30,615
Cash, Beginning of Year	45,920	15,305
Cash, End of Year	\$ 80,151	\$ 45,920

The accompanying notes are an integral part of these statements.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2002

1. Summary of Significant Accounting Policies

Nature of the Organization

The Wilmer Volunteer Fire Department, Inc. is a Louisiana nonprofit corporation. Its purpose is to operate exclusively as a volunteer fire fighting organization to provide fire protection and emergency response services in the Community of Wilmer and surrounding rural areas. The Wilmer Volunteer Fire Department, Inc. is one of the fire departments located in Tangipahoa Parish, that comprise the Tangipahoa Parish Fire Protection District No. 2. Fire Protection District No. 2 receives ad valorem taxes, state revenue sharing, and the 2% fire insurance rebate monies, which are in turn distributed along with any interest earned, to the individual fire departments, in accordance with an annual agreement.

Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accountings Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the fire department does not use fund accounting.

Use of Estimates

The preparation of financial statements in conformance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Property and Equipment

Equipment purchased remains the property of the Tangipahoa Parish Rural Fire Protection District No. 2 and is not recorded in the accompanying financial statements.

Support and Revenues

Support consists primarily of contract payments received from the Tangipahoa Parish Rural Fire Protection District No. 2 in the form of ad valorem taxes, state revenue sharing funds and fire insurance rebate funds. The Fire Department receives a percentage of the total funds available to Rural Fire Protection District No. 2 based on a formula contained in the original contract agreed to by all participating fire departments in Tangipahoa Parish. The ad valorem tax allocation is established in January of each year and disbursed by Rural Fire Protection District No. 2 on a quarterly basis. State revenue sharing and fire insurance rebate funds are disbursed to participating fire departments by Rural Fire Protection District No. 2 as the funds become available. As a result, ad valorem taxes and interest income is recognized as income in the period earned. State revenue sharing funds, fire insurance rebate funds and all other revenues are recognized as income when received.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2002

Donated Services

All of the Fire Department's program services are provided by volunteers. No amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services and facilities.

Contributions

The Fire Department also elected to adopt SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. The adoption of SFAS No. 116 had no effect on net assets or the change in net assets as of or for the two years ended December 31, 2002.

Income Taxes

The Fire Department is a non-profit corporation and is exempt from income taxes under Section 501 (C) (4) of the Internal Revenue Code. Therefore, no provision is made for income taxes.

Fair Value of Financial Instruments

The Fire Department's financial instruments, none of which are held for trading purposes, include cash. The following methods and assumptions used by the organization in estimating its fair value disclosures for financial instruments are:

Cash: The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Fire Department considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

2. Cash and Cash Equivalents

Cash equivalents (book balances) at December 31, 2002 were as follows:

	2002
Interest Bearing Demand Deposits	\$ 80,151

3. Receivables

Receivables at December 31, 2002 were as follows:

	2002
Ad valorem Tax	\$ 20,027
Revenue Sharing	7,520
	\$ 27,547

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2002

4. Contract With Tangipahoa Parish Rural Fire Protection District No. 2

The Fire Department entered into an agreement with the Tangipahoa Parish Rural Fire Protection District No. 2 to provide fire protection and emergency response services in the unincorporated rural areas in the community of Wilmer. Funding is provided by an ad valorem tax and related state revenue sharing.

Under the terms of this contract with the District, these funds "shall be expended solely for the purposes of operating, maintaining, and/or purchasing of equipment or supplies and salaries if approved by Fire District No. 2."

Supplemental Information

**Wilmer Volunteer Fire Department, Inc.
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2002**

Section I - Internal Control and Compliance Material to the Financial Statements

No Findings for Section I

Section II - Internal Control and Compliance Material to Federal Awards

No Findings for Section II

Section III - Management Letter

No Findings for Section III

**Wilmer Volunteer Fire Department, Inc.
Corrective Action Plan for Current Year Audit Findings
Year Ended December 31, 2002**

Section I - Internal Control and Compliance Material to the Financial Statements

No Findings for Section I

Section II - Internal Control and Compliance Material to Federal Awards

No Findings for Section II

Section III - Management Letter

No Findings for Section III

Bruce C. Harrell, CPA

Warren A. Wool, CPA
Michael P. Estay, CPA
Dale H. Jones, CPA
Charles P. Hebert, CPA
James D. Rabalais, CPA

INTERNET
www.teamcpa.com

MEMBERS
American Institute of CPAs
Society of Louisiana CPAs



BRUCE HARRELL
and COMPANY
Certified Public Accountants
A Professional Accounting Corporation

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (985) 542-6372
FAX: (985) 345-3156

P.O. Box 45 - 909 Avenue G
Kentwood, LA 70444
VOICE: (985) 229-5955
FAX: (985) 229-5951

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To The Officers of
Wilmer Volunteer Fire Department, Inc.
Kentwood, Louisiana

We have audited the financial statements of the Wilmer Volunteer Fire Department, Inc. (a non-profit corporation) for the two years ended December 31, 2002, and have issued our report thereon dated June 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Wilmer Volunteer Fire Department, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are to be reported under *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Wilmer Volunteer Fire Department, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Page 2

This report is intended for the information of management, the Legislative Auditor, and the Federal Cognizant Agent. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell and Company, CPAs
A Professional Accounting Corporation

June 12, 2003